

# **FAQs: Solar Panels**

# Why should I consider adding solar panels to my house?

Solar panels are one way to reduce the usage of fossil fuel, which is a contributor to climate change and air pollution. Solar panels produce clean, renewable power that can be used by your own home or sent into the electric grid.

2021 is a good year to install solar panels on your home. You will receive a federal tax credit of 26% of the installation cost and the prices of solar photovoltaic (PV) panels has never been lower.

# Are solar panels a good investment?

A typical price for solar panel installation is \$20,000 - \$30,000, depending on the size of the solar PV system as well as the types of solar panels installed. With the federal tax credit of 26% (in 2021) and the money saved by reduced electricity costs, plus the money you can get by selling TRECs (described below), the homeowner will break even in about 5 years and earn money after that. So, yes, solar panels are a good investment!

The solar panel installer should provide you a projection for how much money you will save over the life of the panels. Solar panels are designed to last about 25 years.

See links for more details:

https://newenglandcleanenergy.com/energymiser/2021/01/18/how-often-do-solar-panels-have-to-be-replaced/

https://www.solar-estimate.org/residential-solar/solar-panels/new-jersey

## How can I find out if my house is suitable for solar panels?

Google's Project Sunroof site (<a href="https://www.google.com/get/sunroof">https://www.google.com/get/sunroof</a>) will show you if your roof is sunny enough for solar panels. It will also estimate the amount of money you will save in the 20 years after you install the panels on your roof. All you have to do is enter your home address and click go!

# When is the best time to install solar panels?

The best time to install solar panels is when you build a new house or when you replace the shingles on your roof.

# How do I pick a contractor to install the panels?

Getting recommendations is always best, especially if you know someone that installed solar panels recently.

Here is general advice on selecting a solar contractor:

https://www.energysage.com/solar/decision-guide/how-to-choose-a-solar-installer/

Also, you can check either of the two sites below for recommended local installers of solar panels:

https://www.angieslist.com/

https://www.homeadvisor.com/

# Do solar panels require maintenance?

Normally, no maintenance is needed. After about 15 years, you will likely need a new inverter—that costs about \$1,000.

# How do the solar panels work with my electrical system?

The solar panels produce electricity when the sun is shining on them. The electricity is used by your house, if needed. If more electricity is made than you need, the excess is fed to the electric grid and used by someone else. Your house will get a special net meter to measure when you take electricity from the grid and when you send electricity to the grid. On your monthly bill, both numbers are shown. You are then billed for the difference (electricity used from the grid MINUS electricity sent to the grid). If you contribute more than you used, your electric bill is only the delivery charge, about \$5/month, and the excess is credited to the next month. In this way, you end up with very low electric bills.

#### What are TRECs?

In New Jersey, for new solar panel systems installed after 2020, the system will earn transition renewable energy credits, known as TRECs. The value of TRECs is estimated to be about \$91/mWh for home roof-mounted solar panels. If your home solar panel system produces 5,000 kWh of solar energy per year, you would receive about \$455 per year from TRECs. Over the course of the 15-year TREC program, you would receive about \$6,825.

# Are options that include free solar panels legitimate?

Be cautious when you consider these options. Often the "free panels" are just lease arrangements. You pay for the electricity produced by the panels at a cost that is less than the current utility price, but you get no additional benefits. See

https://news.energysage.com/free-solar-panels-really-free/ for more information.

# Are solar shingles a valid option?

Tesla is currently selling solar shingles in New Jersey. While they cost more than solar panels, they do look like regular asphalt shingles. They are certainly an option to consider when building a new home.

# Can I install solar panels on the part of the roof of my house that is street-facing?

Yes. In 2020, Westfield revised its solar ordinance to allow street-facing solar panels if other parts of your roof wouldn't produce enough energy and the system meets the Town's aesthetic requirements (for example, the solar panels should match the color of your shingles). For more information about requirements please refer to the town's ordinance: <a href="https://www.ecode360.com/WE3973/laws/LF1202718.pdf">https://www.ecode360.com/WE3973/laws/LF1202718.pdf</a>

# Will solar panels add value to the price of my home?

Yes. According to EnergySage, a typical set of solar panels would add about \$24,000 to the home's resale value. See:

https://www.energysage.com/solar/why-go-solar/increased-property-values/

According to Zillow, the average value increase for adding solar panels is 4.1%. See: <a href="https://www.zillow.com/research/solar-panels-house-sell-more-23798/">https://www.zillow.com/research/solar-panels-house-sell-more-23798/</a>

# Does New Jersey provide any tax exemptions?

New Jersey offers two types of tax exemptions: a sales tax exemption and a property tax exemption.

The solar energy sales tax exemption allows solar energy equipment to be fully exempt from the state's 7% sales tax.

The <u>property tax exemption</u> for renewable energy systems serves to exclude the assessed costs associated with a solar system from a homeowner's property taxes.

## Other useful sites:

https://www.solar-estimate.org/residential-solar/solar-panels/new-jersey

https://www.solarunitedneighbors.org/wp-content/uploads/2018/01/Go-Solar-Guide.pdf

https://www.google.com/get/sunroof

